

HOUSE BILL NO. 78

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/18/21

Referred: Education, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to funding for correspondence programs; and providing for an**
2 **effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 14.17.410(b) is amended to read:

5 (b) Public school funding consists of state aid, a required local contribution,
6 and eligible federal impact aid determined as follows:

7 (1) state aid equals basic need minus a required local contribution and
8 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum
9 obtained under (D) of this paragraph, multiplied by the base student allocation set out
10 in AS 14.17.470; district adjusted ADM is calculated as follows:

11 (A) the ADM of each school in the district is calculated by
12 applying the school size factor to the student count as set out in AS 14.17.450;

13 (B) the number obtained under (A) of this paragraph is
14 multiplied by the district cost factor described in AS 14.17.460;

(C) the ADMs of each school in a district, as adjusted according to (A) and (B) of this paragraph, are added to the correspondence study ADM under AS 14.17.430; the sum is then multiplied by the special needs factor set out in AS 14.17.420(a)(1) and the secondary school vocational and technical instruction funding factor set out in AS 14.17.420(a)(3);

(D) the number obtained for intensive services under AS 14.17.420(a)(2) is [AND THE NUMBER OBTAINED FOR CORRESPONDENCE STUDY UNDER AS 14.17.430 ARE] added to the number obtained under (C) of this paragraph or under (H) and (I) of this paragraph;

(E) notwithstanding (A) - (C) of this paragraph, if a school district's ADM adjusted for school size under (A) of this paragraph decreases by five percent or more from one fiscal year to the next fiscal year, the school district may use the last fiscal year before the decrease as a base fiscal year to offset the decrease, according to the following method:

(i) for the first fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 75 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the first fiscal year after the base fiscal year;

(ii) for the second fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 50 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the second fiscal year after the base fiscal year;

(iii) for the third fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 25 percent of the

1 difference in the district's ADM adjusted for school size between the
2 base fiscal year and the third fiscal year after the base fiscal year;

3 (F) the method established in (E) of this paragraph is available
4 to a school district for the three fiscal years following the base fiscal year
5 determined under (E) of this paragraph only if the district's ADM adjusted for
6 school size determined under (A) of this paragraph for each fiscal year is less
7 than the district's ADM adjusted for school size in the base fiscal year;

8 (G) the method established in (E) of this paragraph does not
9 apply to a decrease in the district's ADM adjusted for school size resulting
10 from a loss of enrollment that occurs as a result of a boundary change under
11 AS 29;

12 (H) notwithstanding (A) - (C) of this paragraph, if one or more
13 schools close and consolidate with one or more other schools in the same
14 community and district and, as a result of the consolidation, basic need
15 generated by the district's ADM of the consolidated schools as adjusted under
16 (A) - (C) of this paragraph decreases, the district may use the last fiscal year
17 before the consolidation as the base fiscal year to offset that decrease for the
18 first four fiscal years following consolidation according to the following
19 method:

20 (i) for the first two fiscal years after the base fiscal year,
21 the district's ADM of the consolidated schools as adjusted under (A) -
22 (C) of this paragraph is calculated by dividing the sum of the district's
23 ADM of the consolidated schools as adjusted under (A) - (C) of this
24 paragraph for the base fiscal year by the sum of the district's ADM of
25 the consolidated schools for the base fiscal year without adjustment,
26 and subtracting the quotient obtained by dividing the district's ADM of
27 the consolidated schools for the current fiscal year as adjusted under
28 (A) - (C) of this paragraph by the sum of the district's ADM of the
29 consolidated schools for the current fiscal year without adjustment,
30 multiplying that number by the sum of the district's ADM of the
31 consolidated schools for the current fiscal year without adjustment, and

1 adding that number to the sum of the district's ADM of the consolidated
2 schools for the current fiscal year as adjusted under (A) - (C) of this
3 paragraph;

4 (ii) for the third fiscal year after the base fiscal year, the
5 district's ADM of the consolidated schools as adjusted under (A) - (C)
6 of this paragraph is calculated by dividing the sum of the district's
7 ADM of the consolidated schools as adjusted under (A) - (C) of this
8 paragraph for the base fiscal year by the sum of the district's ADM of
9 the consolidated schools for the base fiscal year without adjustment,
10 and subtracting the quotient obtained by dividing the sum of the
11 district's ADM of the consolidated schools for the current fiscal year as
12 adjusted under (A) - (C) of this paragraph by the sum of the district's
13 ADM of the consolidated schools for the current fiscal year,
14 multiplying that number by the sum of the district's ADM of the
15 consolidated schools for the current fiscal year without adjustment,
16 multiplying that number by 66 percent, and adding that number to the
17 sum of the district's ADM of the consolidated schools for the current
18 fiscal year as adjusted under (A) - (C) of this paragraph;

19 (iii) for the fourth fiscal year after the base fiscal year,
20 the district's ADM of the consolidated schools as adjusted under (A) -
21 (C) of this paragraph is calculated by dividing the sum of the district's
22 ADM of the consolidated schools as adjusted under (A) - (C) of this
23 paragraph for the base fiscal year by the sum of the district's ADM of
24 the consolidated schools for the base fiscal year without adjustment,
25 and subtracting the quotient obtained by dividing the sum of the
26 district's ADM of the consolidated schools for the current fiscal year as
27 adjusted under (A) - (C) of this paragraph by the sum of the district's
28 ADM of the consolidated schools for the current fiscal year,
29 multiplying that number by the sum of the district's ADM of the
30 consolidated schools for the current fiscal year without adjustment,
31 multiplying that number by 33 percent, and adding that number to the

1 sum of the district's ADM of the consolidated schools for the current
2 fiscal year as adjusted under (A) - (C) of this paragraph;

3 (iv) to calculate the district's basic need for each fiscal
4 year, the number obtained through the calculation in (i), (ii), or (iii) of
5 this subparagraph is added to the number obtained under (C) of this
6 paragraph for the remainder of the district;

7 (I) if the basic need calculated under (H)(i) - (iii) of this
8 paragraph for one of the first four fiscal years after consolidation is less than
9 the basic need calculated under (A) - (C) of this paragraph for that fiscal year,
10 the basic need may not be adjusted under (H) of this paragraph for that fiscal
11 year;

12 (J) a district may not offset a decrease under (H) of this
13 paragraph if

14 (i) a new facility is constructed in the district for the
15 consolidation; or

16 (ii) the district offset a decrease under (E) of this
17 paragraph in the same fiscal year;

18 (K) a district that offsets a decrease under (H) of this paragraph
19 may not reopen a school that was closed for consolidation in the district until

20 (i) seven or more years have passed since the school
21 closure; and

22 (ii) the district provides evidence satisfactory to the
23 department that the schools affected by the consolidation are over
24 capacity;

25 (L) a district may not reopen and reconsolidate a school that
26 was consolidated in the district more than once every seven years for purposes
27 of the calculations made under (H) of this paragraph;

28 (M) a district offsetting a decrease under (H) of this paragraph
29 shall provide the department with the list of schools participating in the
30 consolidation and the corresponding ADM;

31 (2) the required local contribution of a city or borough school district is

the equivalent of a 2.65 mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a district's basic need for the preceding fiscal year as determined under (1) of this subsection.

* **Sec. 2.** AS 14.17.430 is amended to read:

Sec. 14.17.430. State funding for correspondence study. Except as provided in AS 14.17.400(b), funding for the state centralized correspondence study program or a district correspondence program, including a district that offers a statewide correspondence study program, includes an allocation from the public education fund in an amount calculated by using [MULTIPLYING] the ADM of the correspondence program under AS 14.17.410(b)(1)(C) [BY 90 PERCENT].

* **Sec. 3.** This Act takes effect July 1, 2021.